

Examiner SPOTLIGHT

WOMAN A BANK EXAMINER.

Miss Adelia M. Stewart First of Six to Win the Distinction.

Distinction of being the first woman to be appointed national bank examiner has been won by Miss Adelia M. Stewart, assistant chief of the examining division of the office of the comptroller of the currency, who has just been commissioned to this important post.

Miss Stewart is a graduate of the Washington College of Law and is a member of the District bar. She has made an excellent record as assistant chief, and recently successfully passed the examination which all national bank examiners are required to take. For the present she will retain her present position.

An article highlighting Adelia Stewart in The Washington Post on January 6, 1921.



Adelia M. Stewart

ADELIA M. STEWART made history in 1921 when she became the OCC's first female National Bank Examiner. But setting precedents was nothing new for her. While working as a clerk at the OCC, she earned a law degree with high honors and was one of two women admitted to the Washington, D.C., bar in 1914.

The Wisconsin native started her career at the OCC in 1892 as a stenographer clerk. Promotions came slowly or not at all for the 23 women working for the agency then, although, as she said later, her lowly status "didn't seem to interfere with my being allowed to do the work of" higher-paid men.

The OCC commissioned Stewart as a National Bank Examiner in 1921. She showed outstanding performance in her work and earned higher scores on her oral and written qualifying tests

than both of her male counterparts who had applied.

Her status rose, and by 1922 she oversaw the Examination Division in the Washington office, giving her a position comparable to a Chief National Bank Examiner, and making her the first woman executive in the bureau's history. She remained in that position until she retired in 1936.

During Stewart's 44-year career at the OCC, she served under 11 comptrollers, displaying the grit and dedication to public service that made her a role model for men and women alike.

Some of the images included in our historical displays were considered to be educational and progressive a century ago. We recognize, however, that their use may be considered provocative today. We hope that knowledge of our history prompts reflection, discussion, and a commitment to promoting equality and trust in the federal banking system going forward.

1914-1939

Murray's 12-district concept is shown in the map below from the OCC's 1914 annual report.

The Federal Reserve Act of 1913 gradually phased out the OCC's role in currency. No longer responsible for managing a complex monetary system and assessing

the condition of the federal banking system primarily by counting cash, the OCC could now concentrate on bank examination and regulation. It became an organization of National Bank Examiners focused fully on maintaining the safety and soundness of the national banks they supervised.

Comptroller Daniel R. Crissinger (center), who served between 1921 and 1923, is shown here meeting with his Chief National Bank Examiners in 1922.



like, the Home Owners' Loan Act of 1933 overhauled how banks issued mortgages. These laws expanded banking services, which meant additional scrutiny by OCC examiners.

Keeping bank exam information confidential has been important since the use of the telegraph in the early part of the 20th century. Examiners then used cipher codes, which were words, real and made up, that translated into sentences. "Imbibe" meant "If you can," and "nautical" meant "National Bank Examiner."

Using the codes kept information secure as it passed through mail and public telegraph lines. It also kept costs down because telegraph operators charged by the character; for example, "impurple" was much cheaper to send than "In accordance with your instructions I am leaving immediately for ___ to take charge of ___ which closed its doors on ___."

And there were many to supervise. By 1929, there were more than 8,000 national banks—about five times the 1,601 banks that existed in 1865.

Traditional banking services became more complex. The McFadden Act of 1927 enabled national banks to make real estate loans and deal in securities. When the 1920s housing bubble popped, threatening homeowners and lenders



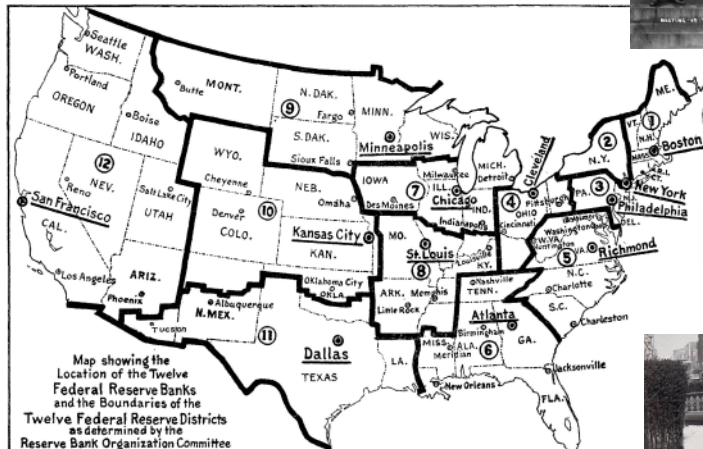
Many banks throughout the country lost money after the stock market crash, causing some to close and others to seek mergers that did not always happen. Bank runs like the one depicted above followed, led by nervous customers trying to withdraw their funds.

After the stock market crashed in 1929, bank regulators undertook the task of restoring stability and public confidence in

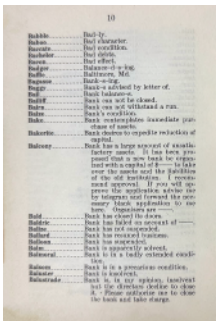
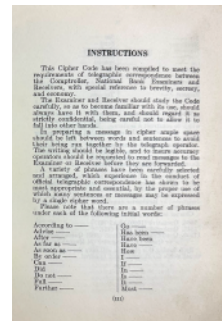
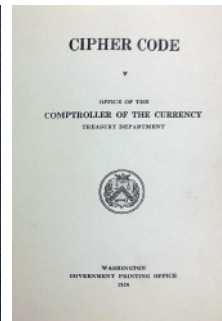
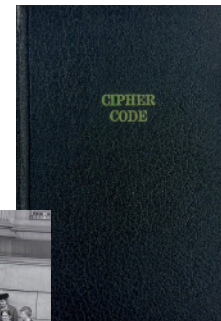
the banking system. In the early 1930s, regulators believed the banking crisis stemmed from overbanking and over-competition. Their response included requiring strict, even draconian, limitations on the numbers of banks, what they could do, and the activities they engaged in. Bank supervision went into overdrive.

On March 6, 1933, President Franklin D. Roosevelt declared a bank "holiday"—a respite designed to calm frazzled nerves, conserve assets, and start healing the banking system, which shattered during the early years of the

Great Depression. The temporary shutdown of banks was no holiday for bank examiners, who worked under heavy pressure to review the condition of thousands of banks and decide whether to issue them the licenses they needed to reopen.

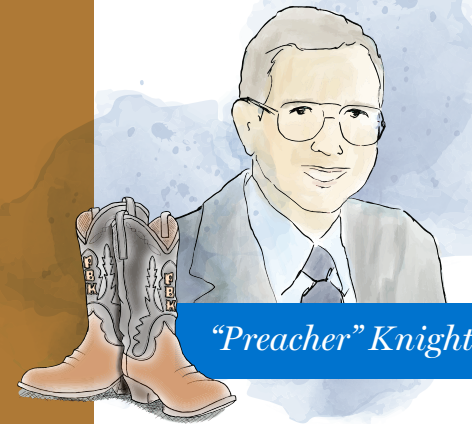


Comptroller Daniel R. Crissinger (center) pictured with OCC employees in October 1921.



Cover and several pages from the pocket-size 1926 edition of Cipher Code.

Examiner SPOTLIGHT



"Preacher" Knight

1940-1959

The 1950 gray Plymouth parked in front of the bank, and the driver strode in the front door, his cowboy boots tapping the floor and his battered typewriter, "Old Blessed," at his side. "Preacher is here with lots of cheer," the man said. "He came to you from far and near."

That was **P. BRANTLEY "PREACHER" KNIGHT'S** standard greeting in all the banks he examined throughout New Mexico and Texas for 32 years. Nicknamed after his impersonation of a clergyman, Knight was well-known to bankers for his disarming ways: "I can talk slow and act dumb." His memoirs are full of occasionally salty tales: collateral consisting of horses and hogs until the horses died and had to be fed to the hogs, small banks without "the facilities to give a person the necessary relief to protect the ecology," and drunken cowboys threatening to "lick" the examination team.

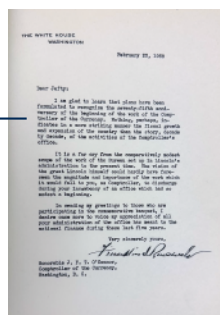
Knight cut and pasted thoughts about his profession and life in general on Old Blessed's case. One of his best thoughts was: "Those of us bank examiners who think we know it all must be particularly annoying to those of you bankers who do."

A reproduction of a sign announcing the bank holiday



A breakdown of the districts and their lead bank examiners under Comptroller James F.T. O'Connor, who served from 1933-1938

A letter from President Franklin D. Roosevelt commemorating the OCC's 75th anniversary



World War II pulled many bank examiners off the front lines of supervision and onto the front lines of combat, which meant increased responsibility for the remaining staff. Despite this, the staff successfully shouldered the heavy burden connected with banks' roles in financing the production of war materials and spearheading the government's bond drives. After the war, consumer spending and borrowing grew. Loan losses were low, banks were profitable, and bank failures were practically nonexistent.

Technological developments such as drive-through tellers and credit cards

occurred with the growth of suburban sprawl and branch banking. While the breadth of supervision became more complicated with such developments, stability in the federal banking system eased pressure on OCC examiners.

The interstate highway system simplified travel and logistics for conducting examinations. Best of all, according to the legendary examiner "Preacher" Knight, were air-conditioned cars. A team approach to bank examinations bred camaraderie and esprit de corps.



A drive-through bank at the corner of Hume and Mount Vernon avenues in Alexandria, Va., in 1951



A drive-through window at the National City Bank of New York in 1953



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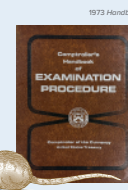
Nothing, perhaps, indicates in a more striking manner the fiscal growth and expansion of the country than the story, decade by decade, of the activities of the Comptroller's office.”

PRESIDENT FRANKLIN D. ROOSEVELT
February 23, 1938

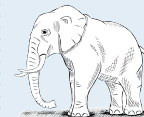
Examiner Instruction Manual NICKNAMES

Creating nicknames for examiner instruction manuals was an OCC tradition by the 1960s.

The best-known example was the **Brown Rat** (or Mouse), named for the color of the *Comptroller's Handbook of Examination Procedure* cover.



The trust bank examiners' version of similar material was dubbed the **White Rat** after legislation transferred responsibility for supervising trust banks to the OCC in 1962.



The **White Elephant** was a tome of bank exam procedures.



The predecessor to today's digital *Comptroller's Handbook* originated in 1977 and was nicknamed the **Gray Goose**.

Today's edition is a virtual menagerie of more than 8,000 pages comprising 94 booklets that cover topics including the examination process, asset management, and consumer and securities compliance. Additional interagency materials help guide examiners in their work.